

House File 933 - Introduced

HOUSE FILE _____
BY COMMITTEE ON GOVERNMENT
OVERSIGHT

(SUCCESSOR TO HSB 313)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to insurance by allowing certain associations to
2 qualify as self-insurers for purposes of Iowa's motor vehicle
3 financial responsibility laws and by expanding the powers of
4 the commissioner of insurance to enforce the state's insurance
5 laws.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
7 TLSB 2921HV 82
8 av/gg/14

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1 1 Section 1. Section 321.20B, subsection 2, paragraph b,
1 2 Code 2007, is amended to read as follows:

1 3 b. ~~The insurance division and the department, as~~
1 4 ~~appropriate,~~ shall adopt rules regarding the contents of a
1 5 financial liability coverage card to be issued pursuant to
1 6 this section.

1 7 (1) Notwithstanding the provisions of this section, a
1 8 fleet owner who is issued a certificate of self-insurance
1 9 pursuant to section 321A.34, subsection 1, is not required to
1 10 maintain in each vehicle a financial liability coverage card
1 11 with the individual registration number or the vehicle
1 12 identification number of the vehicle included on the card.
1 13 Such fleet owner shall be required to maintain a financial
1 14 liability coverage card in each vehicle in the fleet including
1 15 information deemed appropriate by the ~~commissioner of~~
1 16 ~~insurance or the director, as applicable.~~

1 17 (2) An association of individual members that is issued a
1 18 certificate of self-insurance pursuant to section 321A.34,
1 19 subsection 2, is required to maintain in each vehicle of an
1 20 individual member a financial liability coverage card that
1 21 complies with the provisions of this section and in addition
1 22 contains information relating to the association and the
1 23 association's certificate of self-insurance as is deemed
1 24 appropriate by the director.

1 25 Sec. 2. Section 321A.34, subsections 1 and 2, Code 2007,
1 26 are amended to read as follows:

1 27 1. a. Any person in whose name more than twenty-five
1 28 motor vehicles are registered may qualify as a self-insurer by
1 29 obtaining a certificate of self-insurance issued by the
1 30 department as provided in ~~subsection 2 of this section~~
1 31 paragraph "b".

1 32 ~~2. b.~~ The department may, upon the application of such a
1 33 person, issue a certificate of self-insurance if the
1 34 department is satisfied that the person has and will continue
1 35 to have the ability to pay judgments obtained against the
2 1 person for damages arising out of the ownership, maintenance,
2 2 or use of any vehicle owned by the person. A person issued a
2 3 certificate of self-insurance pursuant to this ~~section~~
2 4 subsection shall maintain a financial liability coverage card
2 5 as provided in section 321.20B, subsection 2, paragraph "b".
2 6 subparagraph (1).

2 7 2. a. Any association of individual members that is a
2 8 legal entity with the power to sue and be sued in its own name
2 9 and which is composed of individual members in whose names a
2 10 total of more than twenty-five motor vehicles are registered,
2 11 may qualify as a self-insurer by obtaining a certificate of
2 12 insurance issued by the department as provided in paragraph
2 13 "b".

2 14 b. The department may, upon the application of such an

2 15 association, issue a certificate of self=insurance if the
2 16 department is satisfied that the association has and will
2 17 continue to have the ability to pay judgments obtained against
2 18 the association or against an individual member of the
2 19 association for damages arising out of the ownership,
2 20 maintenance, or use of any vehicle owned by an individual
2 21 member of the association. An association issued a
2 22 certificate of self=insurance pursuant to this paragraph shall
2 23 maintain a financial liability coverage card as provided in
2 24 section 321.20B, subsection 2, paragraph "b", subparagraph
2 25 (2).

2 26 Sec. 3. Section 505.8, Code 2007, is amended by adding the
2 27 following new subsection:

2 28 NEW SUBSECTION. 8. The commissioner may, after a hearing
2 29 conducted pursuant to chapter 17A, assess fines or penalties,
2 30 order restitution, or take other corrective action as the
2 31 commissioner deems necessary and appropriate to accomplish
2 32 compliance with the laws of the state relating to all
2 33 insurance business transacted in the state.

2 34 EXPLANATION

2 35 This bill allows certain associations to qualify as
3 1 self=insurers for purposes of Iowa's motor vehicle financial
3 2 responsibility laws.

3 3 Code section 321.20B is amended to provide that an
3 4 association of individual members that is issued a certificate
3 5 of self=insurance pursuant to Code section 321A.34, subsection
3 6 2, is required to maintain in each vehicle of an individual
3 7 member a financial liability card that complies with the
3 8 provisions of the section and in addition contains information
3 9 relating to the association and the association's certificate
3 10 of self=insurance as deemed appropriate by the director of the
3 11 department of transportation.

3 12 Code section 321.34 is amended by adding a new subsection
3 13 that allows an association of individual members that is a
3 14 legal entity with the power to sue and be sued in its own name
3 15 and which is composed of individual members in whose names a
3 16 total of more than 25 motor vehicles are registered, to
3 17 qualify as a self=insurer by obtaining a certificate of
3 18 self=insurance issued by the department of transportation.

3 19 The bill further provides that the department shall issue
3 20 such a certificate of self=insurance if the department is
3 21 satisfied that the association has and will continue to have
3 22 the ability to pay judgments obtained against the association
3 23 or against an individual member of the association for damages
3 24 arising out of the ownership, maintenance, or use of any
3 25 vehicle owned by an individual member of the association. An
3 26 association that is issued a certificate of self=insurance is
3 27 required to maintain a financial liability coverage card as
3 28 described above.

3 29 The bill also amends Code section 505.8 to provide that the
3 30 commissioner of insurance may assess fines or penalties, order
3 31 restitution, or take other corrective action as deemed
3 32 necessary and appropriate to accomplish compliance with the
3 33 state's insurance laws.

3 34 LSB 2921HV 82

3 35 av:rj/gg/14